

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1895 – HB 2395

March 4, 2016

SUMMARY OF BILL: Enacts the *Tennessee Nursing Delegation Act for Home and Community Living*. Authorizes a registered nurse to delegate a health maintenance task required by a patient receiving long-term services and support (LTSS) to an unlicensed person paid to provide services under a home and community-based service program if the registered nurse:

- completes a nursing assessment of the patient's healthcare needs;
- evaluates the ability of the unlicensed person to perform the health maintenance task;
- teaches the health maintenance tasks to the unlicensed person;
- ensures the supervision of the unlicensed person; and
- re-evaluates the health maintenance task performed by the unlicensed person at regular intervals.

Defines a health maintenance task as a task that can safely be performed according to exact directions, with no need to alter the standard procedure, and the results of which are predictable. The registered nurse and unlicensed person acting in accordance with the proposed legislation will be immune from liability.

Authorizes the Board of Nursing to promulgate rules to implement the proposed legislation, after consultation with the Bureau of TennCare, the Department of Intellectual and Developmental Disabilities, and other stakeholder groups representing seniors and people with disabilities.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – Exceeds \$677,300/FY16-17
Exceeds \$1,354,600/FY17-18 and Subsequent
Years

Decrease Federal Expenditures – Exceeds \$1,256,900/FY16-17
Exceeds \$2,513,800/FY17-18 and Subsequent
Years

Assumptions:

- Based on information provided by the Bureau of TennCare, CHOICES Home Health will spend approximately \$11,600,000 in calendar year 2016.

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- Assuming a five percent savings from the delegation of health maintenance tasks, it is estimated the Bureau will reduce expenditures at least \$580,000 ($\$11,600,000 \times 0.05$) in calendar year 2017.
- Medicaid expenditures receive matching funds at a rate of 64.983 percent federal funds to 35.017 percent state funds. Recurring state expenditures are estimated to decrease by \$203,099 ($\$580,000 \times 0.35017$) and recurring federal expenditures are estimated to decrease by \$376,901 ($\$580,000 \times 0.64983$).
- Due to the effective date of January 1, 2017, the reduction in expenditures for FY16-17 is estimated to be \$101,549 ($\$203,099 \times 0.50$) for the state and \$188,451 ($\$376,901 \times 0.50$) for the federal government.
- Based on information provided by the Department of Intellectual and Developmental Disabilities, it is estimated the Department will reduce recurring expenditures at least \$3,288,400 in calendar year 2017.
- Medicaid expenditures receive matching funds at a rate of 64.983 percent federal funds to 35.017 percent state funds. Recurring state expenditures are estimated to decrease by \$1,151,499 ($\$3,288,400 \times 0.35017$) and recurring federal expenditures are estimated to decrease by \$2,136,901 ($\$3,288,400 \times 0.64983$).
- Due to the effective date, the reduction in expenditures for FY16-17 is estimated to be \$575,750 ($\$1,151,499 \times 0.50$) for the state and \$1,068,450 ($\$2,136,901 \times 0.50$) for the federal government.
- The total decrease in state expenditures is estimated to be \$677,299 ($\$101,549 + \$575,750$) in FY16-17 and the recurring decrease in state expenditures is estimated to be \$1,354,598 ($\$203,099 + \$1,151,499$) in FY17-18 and subsequent years.
- The total decrease in federal expenditures is estimated to be \$1,256,901 ($\$188,451 + \$1,068,450$) in FY16-17 and the recurring decrease in federal expenditures is estimated to be \$2,513,802 ($\$376,901 + \$2,136,901$) in FY17-18 and subsequent years.
- The Department of Health will be required to promulgate rules, but this can be accomplished this within existing resources; any fiscal impact to the Department would be not significant.
- The Commission on Aging and Disability does not provide medical services provided within an HCBS setting, any fiscal impact to the Commission would be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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